

AMENDED IN ASSEMBLY MAY 8, 2003

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 264

Introduced by Assembly Member Mullin
(Coauthor: Senator Speier)

February 4, 2003

An act to *add Section 17462.7 to, and to add and repeal Section 17462.5 of, the Education Code, relating to public schools.*

LEGISLATIVE COUNSEL'S DIGEST

AB 264, as amended, Mullin. Surplus school property: use of proceeds.

Existing

(1) *Existing* law requires that the funds from the sale of surplus school real property be used for capital outlay or for costs of maintenance of prescribed school district property. Existing law permits a school district to deposit proceeds from a lease of school district property with an option to purchase in its general fund for use for any general fund purpose if approved by the State Allocation Board if certain conditions are met.

This bill would, notwithstanding contrary provisions of law, authorize a school district to deposit up to 25% of the proceeds of the sale of surplus school real property into the school district general fund for use for any purpose of the school district if prescribed conditions are met, and would preclude ~~such a~~ *that* transfer from disqualifying the school district for prescribed state facilities funding. The bill would

define “sale,” for this purpose, to include a lease of surplus property with an option to purchase.

This bill would repeal those provisions on January 1, 2005.

(2) Existing law authorizes a school district to apply for hardship state funding for the construction of school facilities under specified circumstances.

This bill would require the board to reduce an apportionment of hardship assistance awarded to a school district by an amount equal to the amount of any proceeds from the sale of surplus property used for operating expenses by the district for 5 years following that expenditure.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17462.5 is added to the Education Code,
2 to read:

3 17462.5. (a) Notwithstanding any other provision of law to
4 the contrary, including, but not limited to, Section 17462, a school
5 district may deposit an amount not to exceed 25 percent of the
6 proceeds of the sale of surplus school real property, excluding any
7 interest earned thereon, into the school district general fund and
8 may use those proceeds for any purpose of the school district if all
9 of the following criteria are met:

10 (1) The school district has an enrollment of fewer than 11,000
11 pupils.

12 (2) The school district has experienced declining enrollment
13 for each school year from 1999–2000 to 2002–03, inclusive.

14 (3) The proceeds are from the sale of school district real
15 property that occurred between July 1, 1997, and June 30, 2000,
16 inclusive.

17 (b) Deposit of proceeds in the school district general fund
18 pursuant to this section does not disqualify the school district from
19 eligibility for state funding under the Leroy F. Greene School
20 Facilities Act of 1998 (Chapter 12.5 (commencing with Section
21 17070.10)) or under Section 17584.

22 (c) For the purposes of this section “sale” includes, but is not
23 limited to, a lease of surplus property with an option to purchase.

(d) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends that date.

SEC. 2. Section 17462.7 is added to the Education Code, to read:

17462.7. The board shall reduce an apportionment of hardship assistance Article 8 (commencing with Section 17075.10) awarded to a school district by an amount equal to the amount of any proceeds from the sale of surplus property used for the operating expenses of the school district pursuant to Section 17462.5 five years following the expenditure.

